

March 11, 2019

Senator Christine Cohen and Representative Mike Demicco  
Chairs, Environment Committee  
Legislative Office Building, Room 3900  
Hartford, CT 06106  
In-person and Via Email to [ETtestimony@cga.ct.gov](mailto:ETtestimony@cga.ct.gov)

**Re: CTA Comments on HB No. 7295 – An Act Concerning a Recycling Program for Paper and Packaging and Requiring Certain Municipal Solid Waste Management Goals - OPPOSE**

Dear Senator Cohen, Representative Demicco, and Members of the Environment Committee:

The Consumer Technology Association™ (CTA) respectfully submits these comments to express our concerns and opposition regarding [House Bill Number 7295](#) (HB No. 7295) which creates a product stewardship program for paper and packaging in Connecticut.

CTA is the trade association representing the U.S. consumer technology industry, which supports more than 15 million U.S. jobs. Our membership includes more than 2,200 companies – 80 percent are small businesses and startups; others are among the world's best-known manufacturer and retail brands. Our members have long been recognized for their commitment and leadership in innovation and sustainability, often taking measures to exceed regulatory requirements on environmental design, energy efficiency, and product and packaging stewardship.

CTA supports Connecticut's interest in identifying and evaluating additional opportunities for the management of paper and packaging in the state. It is vital to the conversation to acknowledge the important role that packaging plays in delivering a product whether it is protecting a high value electronic device from damage or preventing theft of small electronic devices from retail store shelves. Packaging as a part of the waste stream is a complex issue involving many independent stakeholders without a single, simple solution. With this in mind, CTA has the following concerns with the HB No. 7295.

**Connecticut has already determined product stewardship is not the solution for paper and packaging.**

The state of Connecticut established through [Special Act 16-6](#) a [Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste](#) in 2016. The Task Force, on which I was honored to serve as a member, released its recommendations in February 2018 after a year of stakeholder meetings, expert testimony, and public comments.<sup>1</sup> The final report of that Task Force did not recommend product

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<sup>1</sup> The Final Report of the Connecticut Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste can be found under the "Final Report" section of the "Meetings" portion of the Connecticut General Assembly website at [https://www.cga.ct.gov/env/taskforce.asp?TF=20170216\\_Task%20Force%20to%20Study%20Methods%20for%20Reducing%20](https://www.cga.ct.gov/env/taskforce.asp?TF=20170216_Task%20Force%20to%20Study%20Methods%20for%20Reducing%20)

stewardship as a means of reducing consumer packaging that generates solid waste in Connecticut. The justifications outlined by the Task Force included concerns over the creation of a recycling monopoly through a product stewardship organization, pushing Connecticut recycling firms out of business and forcing higher costs on the collection and recycling system as a whole.

The Task Force spent significant resources to thoroughly examine product stewardship as a potential policy option for managing paper and packaging material through an open and transparent process. Every member of the Task Force, excluding the member representing the Connecticut Department of Energy and Environmental Protection (DEEP), was appointed by a member of the Connecticut Legislature as an expert from their respective field. As a Task Force member, I spent significant time researching various policy options, including product stewardship, for managing packaging; preparing questions for experts that came before the Task Force; and doing follow-up research post-Task Force meetings. It is concerning that the Legislature would ignore the recommendations of the Task Force it established and put forth a bill calling for exactly the opposite of what the Task Force recommended.

Additionally, as a Task Force member, I had raised specific concerns surrounding the potential economic impact and costs of a product stewardship program. My concerns, as expressed in my [final recommendations](#) to the Task Force, included:

- No full analysis was provided on the costs associated with a product stewardship system for Connecticut nor was there an understanding of cost savings, if any, to municipalities.
- The full cost of the current system is also unknown. This makes it difficult to understand if a product stewardship program would achieve increased efficiencies or create economies of scale.
- Other industries currently complying with product stewardship laws (e.g., paint, mattresses, carpet) stress that showing costs to consumers sends the signal to the buyer that recycling is not free. By paying a visible fee, those consumers are now part of the recycling chain to build a recycling ethos versus the hidden fees captured under product stewardship programs. How a similar visible fee system for packaging would work is not clear.
- Pay As You Throw (PAYT) is not implemented across Connecticut. During the August 30, 2017, Task Force meeting, presenter Joachim Quoden, Managing Director of the Extended Producer Responsibility Alliance (Expra) in Europe, noted that PAYT is an economic incentive that must be in place in order for product stewardship for packaging to be successful.

To my knowledge, the above concerns have not been addressed in the interim time from the Task Force's conclusion to the introduction of HB No. 7295.

**Alternative funding sources already exist in Connecticut for managing recyclables.** If funding for recycling is a focus of the Legislature, the Task Force did identify alternative funding options already available in Connecticut to manage packaging material. Currently, unclaimed bottle deposits ("escheats") from Connecticut's bottle bill program are estimated to be between \$20-35 million in annual funding. Currently, this funding is not earmarked to be utilized for recycling activities but instead goes into the General Fund. This is a significant funding source that could be utilized for managing and reducing consumer packaging including programs focused on consumer education, recycling infrastructure investment (e.g., recycling bins, public space recycling, etc.), and MRF improvements.

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[Consumer%20Packaging%20that%20Generates%20Solid%20Waste](#). Additional meeting documents including presentations, written comments and meeting notes can also be found under the "Meetings" portion.

**A state by state approach is not efficient and lack of market forces could negatively impact the recycling system in Connecticut.** For more than a decade, the consumer electronics industry has implemented and complied with state-level product stewardship laws for electronics in Connecticut and 24 other jurisdictions. This patchwork of laws, each one varying in scope, has proven costly and inefficient across jurisdictions as the electronics industry has spent over \$1 billion complying with these various state laws over the past ten years alone. CTA strongly cautions against a state-by-state approach especially for packaging material which is a much larger, more complex waste stream with a larger number of responsible producers. It is also worth noting that Task Force members acknowledged that a state-by-state approach would not achieve the results touted under EPR programs in other countries.

Based on the electronic industry's experience, product stewardship programs often have the unintended consequence of putting extreme pressure on local recycling markets. These adverse effects on local markets have had a negative impact on the long-term sustainability of local recycling jobs around the country. Product stewardship creates structures that operate outside the normal market influences, resulting in winners and losers being chosen by the product stewardship organization and leaving all others unable to operate outside the system.

Ultimately the lack of market forces in a product stewardship program lead to higher costs for the collection and recycling system. Based on the consumer electronic industry's experience with Connecticut's product stewardship program for electronics, the Connecticut program recycles less electronics than many other state programs at 50 percent more per pound than the cost of comparable jurisdictions due to the lack of market forces in place. The Connecticut system for electronics is not market based - the state has sole control over selecting recyclers, the state sets the price for recycling, and then recyclers' bill manufacturers at non-competitive rates blessed and mandated by the state. The Connecticut collection infrastructure for electronics is some of the costliest in the U.S. with no incentive for local governments to strive toward efficiencies. In addition, the DEEP has approved recyclers that have since gone out of business and abandoned cathode ray tube (CRT) glass stockpiles in the U.S. Product stewardship does not always equate to an efficient or effective system.

**Product stewardship programs do little to change consumer behavior.** Product stewardship is not free. Where manufacturers can, consumers end up paying for recycling through the cost of the products they purchase plus premium markup as products move through distribution and retail channels. One concern is that, through product stewardship, consumers are not engaged to actively participate and understand the recycling system. The collection, transportation and recycling of packaging costs money. Hidden fees and inevitable distribution chain markups send the wrong message to consumers that packaging recycling is "free" and does nothing to create the ethos needed to support a robust consumer recycling program or change consumer purchasing behavior. This consumer ethos and the need for cost transparency is especially important as society moves toward consumers managing more and more packaging waste in an E-Commerce environment.

**Many consumer technology manufacturers already utilize innovative and sustainable packaging.** Consumer technology manufacturers take a deliberately innovative approach to their packaging design choices – voluntary decisions and programs that yield environmental benefits. As highlighted in CTA's 2017 Sustainability Report, the technology industry has made significant improvements in packaging design including the use of unconventional, renewable resources such as mushrooms, wheat, and molded paper pulp; reductions in material use and increases in the use of recycled content packaging; and

redesign of packaging to create more easily recycled packaging at the curb.<sup>2</sup> These efforts are driven by industry innovation and efforts to reduce environmental impact, not by government mandated approaches.

Manufacturers of consumer technology need flexibility in choosing appropriate materials for packaging their products to avoid situations that cause product breakage and damage during transport (which ultimately increases the lifecycle impact of the product) as well as to deter theft of smaller, high value electronics from retail establishments. HB No. 7295 would increase costs for the industry thereby limiting the available resources for companies to invest in innovative and sustainable packaging solutions. A combination of voluntary initiatives and market forces encouraging more efficient packaging is already driving significant packaging design and reduction efforts without the costly burden of a product stewardship system.

**Conclusion:** CTA appreciates the opportunity to provide comments on HB No. 7295 and urges the Environment Committee to oppose. Another comment by Joachim Quoden during his presentation to the Task Force sums up CTA's thoughts on H.B. No. 7295. Mr. Quoden stated that all stakeholders in the value chain must agree on the program to avoid undermining of the product stewardship system. As evidenced by the Task Force conclusion, all stakeholders are not in agreement that product stewardship is the right solution for Connecticut.

CTA welcomes further discussion with the Committee and other stakeholders to identify economically viable, pro-innovation and consumer-friendly approaches to our shared goal of reducing waste and increasing opportunities to recycle packaging. Please do not hesitate to contact me with any questions or requests for additional information.

Sincerely,



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Enclosures

CC: Senator Julie Kushner, Vice Chair  
Representative Joseph P. Gresko, Vice Chair  
Senator Craig Miner, Ranking Member  
Representative Stephen G. Harding, Ranking Member  
Representative David Arconti  
Representative Dorinda Borer  
Representative Patricia A. Dillon  
Representative Doug Dubitsky  
Representative Kenneth M. Gucker

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<sup>2</sup> Consumer Technology Association. "2017 Sustainability Report". Available at <https://www.cta.tech/Sustainability-Report/resources.aspx>.

Senator Will Haskell  
Representative Rick L. Hayes  
Representative Maria P. Horn  
Representative Kathy Kennedy  
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